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Workers' comp in need of work

Director Nelson Befitel of the Department of Labor and Industrial Relations said last week the Hawaii workers' compensation system is broken. He made the comment after an independent think tank gave the system a failing grade.

The Work Loss Data Institute concluded that the Hawaii workers' compensation system had gone from "bad to worse" in 2001 and 2002. Out of 45 states and territories that responded to a request for information, Hawaii's overall ranking went from 28th in 2000 to 34th in 2002.

Eight other states and Puerto Rico also were given failing grades. Two of those states, Florida and California - both conceivably competitors with Hawaii for company sites - enacted legislation this year to reform their workers' compensation laws.

In the last session of the Hawaii Legislature, Befitel proposed a nine-point reform package and spent a fair amount of time at the Capitol arguing in favor of the governor's package, saying basic reform was needed to cut unnecessary costs to business.

The Chamber of Commerce of Hawaii carried the pro-business message to the Legislature, but it wasn't enough. The Legislature sided with the union position that abuses of the system should be curbed but there was no need for an overhaul.

Harold Dias, president of the AFL-CIO in Hawaii, was quoted as saying, "Businesses and the state take the easy approach and say since we have abuses, let's punish everybody." Dias said employers need to make their workplaces safer to lower the number of injuries. "We feel Hawaii's workers' compensation law is fine," he said.

According to the Work Loss Data Institute, 53 percent of the reported cases of on-the-job injuries resulted in a loss of productivity for employers. The national average was 31 percent. State figures for 2002 showed 2,321 people - 22.6 percent of the cases - took longer than 30 days to return to work at a cost of \$50,000 or more for each person.

The latest statistics underline the need for the Legislature to take a long, hard look at the system. It's a subject all the candidates for the Senate and House should be ready to discuss with voters.